

# Legislative Fiscal Bureau

## Fiscal Note

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HF 2515 - Education Department Duties (LSB 5361 HV)

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Fiscal Note Version - New

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### **Description**

House File 2515 makes changes to statutes related to the duties and operation of the Department of Education. The changes are as follows:

- Authorizes the Director to use electronic funds transfer whenever possible in disbursing funds to local school districts.
- Permits the Director to employ full-time professional staff for periods of at least 9 but less than 12 months per year.
- Permits the Department to perform site visits at all accredited schools and school districts as needed. Currently, the Department must visit each school at least once every five years.
- Designates those college preparatory schools that appear on the Department's special accredited list as of July 1, 2002, as accredited nonpublic schools for purposes of receiving State funds for textbooks, transportation, and technology. Prohibits such funding to other college preparatory schools not on the list at that date.
- Makes a technical correction regarding whole grade sharing for purposes of reorganization.
- Eliminates a requirement that the Department employ a consultant for gifted and talented programs.
- Shifts responsibility for approving vocational technical programs and community college building plans from the Board of Education to the Director.
- Eliminates the Board of Education's role in appeals of local open enrollment decisions. Appeals of local school board decisions would go directly to district court. Parents who prevail in district court would be reimbursed by the school district for attorney fees and court costs.
- Eliminates the requirement that local school districts provide a school breakfast program.
- Changes the method of calculating the supplemental mileage payment for parents transporting nonpublic school students.
- Authorizes the Department to establish fees for school bus inspections and for issuing school bus driver authorizations. The fees may not exceed the Department's budgeted costs for these services.
- Makes a Code editor's correction to the process for appealing Area Education Agency transportation decisions.
- Restricts appeals of local school board decisions to the Board of Education to those brought by a student and/or parent or guardian of a student.
- Eliminates the requirement that the Department receive and approve school building construction plans.
- Shifts responsibility for providing technical assistance to schools in regard to driver education programming from the Department of Education to the Department of Transportation.
- Changes the physical examination requirements for school bus drivers from every year to every two years, while allowing the examining physician to require more frequent examinations when warranted.
- Changes the application process for school bus driver licensing to enable the Department to issue authorizations via a web-based system.
- Authorizes the Department to charge a fee to participants in drinking driver courses provided by the community colleges to recover administrative expenses related to required data collection. The Department is currently authorized to charge fees to these participants to recover expenses related to classroom space, instructor salaries, and class materials.

- Shifts responsibility for the Conservation Education Program from the Department of Education to the Department of Natural Resources (DNR). The Program awards from the Resource Enhancement and Preservation (REAP) Fund to school districts and teachers for environmental education. The Department of Education is currently responsible for providing support to the Program board and for administering the funds.
- Shifts responsibility for surety bonding requirements for proprietary schools from the Department of Education to the Secretary of State. The Secretary of State is currently performing these functions via a 28E agreement with the Department.

### **Assumptions**

1. The Department of Education's implementation of electronic funds transfer capability in all school districts would not require additional funding. Significant cost savings related to electronic funds transfer would not be realized before FY 2005.
2. The potential reduction in frequency of K-12 accreditation site visits would not result in a significant reduction in costs due to earlier staffing reductions and the potential need for more intensive or more frequent site visits in some districts.
3. The Gifted and Talented Consultant position is funded 50.0% with State General Fund monies and 50.0% with federal funds. The Department anticipates that the federal dollars will be eliminated in the next few years, making it difficult to maintain this position. In the meantime, the Department anticipates reassigning the position to other responsibilities.
4. Permitting the Director to approve vocational technical programs and community college building plans would not result in significant cost savings.
5. The Board of Education receives approximately 100 open enrollment appeals per year, 23.0% of which are dismissed prior to hearing. Each appeal that goes to hearing requires approximately nine hours of an administrative law judge's time, at an annual cost of \$37,000.
6. The average cost per case in the district courts is \$104 per hour plus \$11 per case for the Clerk of Court's time. At nine hours per case, each case would cost \$947. Assuming 77 open enrollment appeals go to hearing in the district courts each year, the cost to the courts would be \$73,000.
7. Eliminating the requirement that local school districts provide a breakfast program would not result in significant cost savings for the Department. School districts that choose to eliminate existing breakfast programs would realize savings. The extent of breakfast programs varies greatly between school districts. Because school districts report total food service program costs to the Department, rather than separate costs for lunch and breakfast, it is not possible to accurately estimate the savings to local school districts.
8. Changing the method of calculating the supplemental mileage payment for nonpublic school parents would not result in significant cost savings to the Department, though payments may be processed more quickly.
9. The Department's estimated FY 2003 expense for school bus inspections is \$261,000. Under the Bill, the Department would charge school districts a fee of \$15 per bus, for additional revenue totaling \$245,000. It is assumed the fee revenue would be retained by the Department to offset expenses related to the inspections.
10. The Department is currently collecting fees for school bus driver permits totaling approximately \$45,000. This is based on a fee of \$5 per permit. The fee for driver authorization would remain the same. Moving the driver application process to a web-based system would save Department staff time but would not result in significant cost savings.
11. The number of physical examinations required for school bus drivers and paid for by local school districts would be reduced by 50.0%, for an annual savings to school districts statewide of \$275,000.
12. Limiting appeals to the Board of Education to those brought by a student or parent/guardian of a student would not result in a significant reduction in the Department's expenses. The Department has indicated that the current language permitting appeals to the Board by any person may result in increased appeals in the future by, for example, vendors or contractors whose bids are rejected in a competitive bidding process. It is not possible to estimate this potential cost savings in future years.
13. Eliminating the requirement that the Department approve school building construction plans would not result in significant cost savings. The staff member responsible for this function

has assumed additional responsibilities related to several State and federal infrastructure grant programs.

14. The Department of Education is not currently providing significant support to local school districts in regard to driver education. The Department of Transportation currently has field staff working with local school districts. The shift in responsibility for driver education would not result in significant changes in costs for either department.
15. The Department is currently charging a fee of \$5 per participant to recover authorized costs related to drinking driver courses provided by the community colleges. Approximately 10,000 persons participate in these courses annually, resulting in annual revenue of \$50,000. Under the Bill, the Department intends to increase the fee to \$10 to recover data collection costs. The increased fee would result in additional revenue of \$50,000. It is assumed the fee revenue would be retained by the Department to offset expenses related to data collection.
16. The Department of Education has 1.0 FTE currently assigned to provide support for environmental education, including the Conservation Education Program. No REAP funding is provided for administration of the Program. The position is funded 50.0% with State General Fund monies and 50.0% with federal Title I funds that would not transfer to the DNR. The FY 2002 General Fund expenditure for salary and benefits is \$35,520. The Department of Education anticipates reassigning this position to other responsibilities. Assuming the Program utilizes half of the current staff member's time, the DNR would require an additional 0.5 FTE and \$35,520 to staff this function.

### **Fiscal Impact**

It is estimated that House File 2515 would result in additional fee revenue for the Department of Education of \$295,000 per year in FY 2003 and FY 2004. The Bill would result in additional costs for the Department of Natural Resources and the district courts, totaling \$109,000 per year in FY 2003 and FY 2004.

It is estimated that local school districts would experience a statewide net savings of \$30,000 per year as a result of HF 2515. This amount represents a reduction in costs related to physical examinations for school bus drivers, offset by fees to be paid for school bus inspections. The estimate does not reflect cost savings realized by eliminating school breakfast programs. Due to lack of data from local school districts, this savings cannot be determined.

### **Sources**

Department of Education  
Department of Natural Resources  
Department of Transportation  
Judicial Branch  
Secretary of State

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/s/ Dennis C Prouty

March 6, 2002

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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